Hard Times Ahead: Creating Alternative Revenue Streams for Extension

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Abstract
Many 4-H professionals have overlooked the largest source of charitable funding in the United States--individual donors. Former members and volunteers are a likely source of donations. Many former members and volunteers fall into two main generational cohorts: Generation X and the Millennials. Understanding the characteristics of these two groups can improve your chances of turning them from prospective donors to actual donors.

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Introduction

As institutions of higher education struggle to maintain state appropriations, it becomes more important to develop a strategy to continue programs of historical importance--Extension programs--because as higher education funding decreases, so does funding for Extension.

Various program areas within Extension, such as 4-H, have an excellent record of securing grants for specific initiatives; yet as the country's economic conditions worsen, it is unlikely that grants alone will be sufficient to expand or even maintain programs. Thus, it will become increasingly essential to seek funds from the private sector. To that end, Extension specialists, agents, and other professionals should consider looking to Extension programs' dedicated stakeholders to share in the role of sustaining programming through private giving.

Developing New Revenue Streams

With a focus on grant writing and commercial sales, many Extension professionals have overlooked the largest source of funding--individual donors. According to the Giving USA Foundation's report, *Giving USA 2005*, individual donors account for approximately 75.6%, or nearly $188 billion, of all charitable giving. According to C. Ray Clements, Chair of the American Association of Fundraising Counsel, 70-80% of Americans contribute annually to at least one charity (O'Hearne & Wittman, 2006).

To maximize the chances of making individual donors of former members and current program volunteers, it is essential to be aware of the characteristics that define them. Many former youth program members fall into two main generational cohorts: Generation X and the Millennials. The two groups, while different in many ways, have similar characteristics that make them natural donors for Extension programs.

Understanding Gen Xers and Millennials

Generation X adults, the children of an era where divorce and working mothers were commonplace, are now between the ages of 25 and 45. Generation X adults grew up watching television and experienced childhood throughout the selfish "me" focused eighties, a period they do not wish to see repeated (Jochim, 1997). This generation's key concerns are parenting and ongoing education. Because their parents spent little time with them, Gen Xers tend to put friends first. In financial matters, they seek involvement in managing their assets.

According to *Millennials Rising: The Next Great Generation* (Strauss & Howe, 2000), Millennial adults are now between the ages of 18 and 24. According to Strauss and Howe, the Millennials are optimists, 90% of whom describe themselves as "happy," "confident," and "positive." They support social causes and value authenticity and integrity. Although they want very much to succeed in life, "integrity trumps success" (Leo, 2003). Millennials have a great interest in a strong marriage and children. In fact, in a survey conducted on Millennials, 30% said that they want three or more children (Leo, 2003).

How can Extension professionals use the general characteristics that define these two groups to enlist them as donors? To begin with, both groups value children and parenting. The major focus of 4-H is teaching leadership, citizenship, and life skills to children. Generation X adults who were members of the 4-H program understand the mission of 4-H. Fortunately, much of the groundwork that is usually required to orient prospective donors has already occurred with this group through their prior involvement with the program. Although most Millennials are not old enough to have children who are of age to be members of the 4-H Program, many still have emotional ties to the program themselves.

What are some of the challenges that come with engaging these two groups as donors? Because Generation X adults value involvement in financial matters, they will want to be involved in how the organization will use their donations. They may be more likely to designate their donations than to allow the organization to use the money for operational expenses. Because they typically place a high value on friendships, one way to approach them to contribute would be to have a friend, one who is already a donor, ask them.

Millennials value integrity, so it is crucial to show them that the organization they will be supporting is responsible enough to handle the rigors of fundraising. A lack of accountability could be fatal for fundraising efforts when dealing with this group. Additionally, Millennials have never lived in a world without technology. By the time they were in junior high school, they were already using the Internet. Therefore, organizations must have high-tech options for how Millennials can research your organization and its activities and contribute online. They are interested in continuous gifts that they can give through Electronic Funds Transfer and bank draft. They typically use debit cards rather than credit cards.

In contrast with other generations, Millennials have a more "here and now" perspective on financial matters. In a recent survey by CIGNA Retirement and Investment Services, more than 50% of Millennials say that their top financial concern is "paying everyday expenses" or "saving for a new house and car" compared with Baby Boomers, whose two main financial concerns are saving for retirement and paying for their children's education (CIGNA, 2004).

Where should Extension professionals begin to look for these Generation X and Millennial donors? Rosso (1991) demonstrated through his Concept of Ever-Widening Circles that the "energy center of the constituency" is strongest closest to the organization and that the energy diminishes as the circles widen. The Figure 1 shows that former participants fall into the third circle. However, current volunteers who are also former participants would fall into the second circle. This is an excellent place to begin. Current volunteers in the 4-H Program who are also former participants not only have emotional ties to their days as 4-H members, but they have enough of a tie that they remain involved. They give of their time, so they are also likely to give of their money.

Figure 1.
Rosso's Concept of Ever-Widening Circles
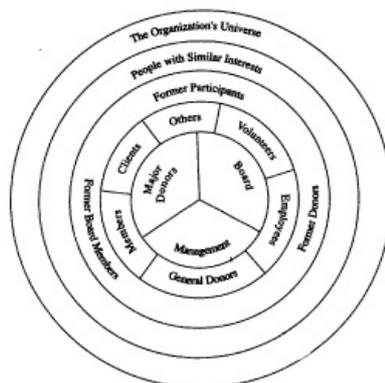
Rosso, 1991

Having a strong plan in place to raise the needed funds is vital to your success. Several fundraising methods would yield positive results in the quest to make former members donors, but annual

campaigns have the potential to generate a larger portion of operating expenses each year.

Annual Campaigns

An annual campaign is an opportunity to cultivate and expand relationships to support the development of an organization in a personalized way. Annual campaigns can range from large and time-consuming to scaled-down and short-term. Keep in mind, however, that the more time you invest in this method, the better results you will experience.

To begin the annual campaign, you should first gain the buy-in from the people in the "energy center" or inner circle of your constituency (Rosso, 1991). Those in the inner circle are your lead volunteers, board members, advisory members, and fellow Extension personnel. It is crucial, if you want to ask people for money, that you already have buy-in from those who are closest to your organization. In addition, it will be easier for you and those in the organization's inner circle to ask others for money when you are able to describe the gift that you and others have already made.

Next, begin to identify prospective donors. Have the first line of donors, your closest supporters, identify other people who are likely to donate to your organization. The best prospects are family and friends of the inner circle who have already contributed in some way (not necessary monetarily) and people who believe in the mission of the organization.

The third segment of the annual campaign consists of a kickoff event, the public start of your campaign. You can invite prospective donors to come to this celebration and learn more about your organization. The event should provide opportunities for prospective donors to mingle with frontline donors. If space and/or funding are limited for this event, narrow your invitation list to those donors who might make a significant donation. Once you have sent invitations to prospective donors, have current donors follow up with phone calls to reinforce the fact that you would like to have them attend the event. The more personal contact prospective donors have with the organization, the more likely they are to contribute.

Finally, make one-on-one contact with the prospective donors. These personal communications are a way to follow up with people who attended your event but did not donate. In addition, there are donors who will only donate when asked personally.

There are, of course, other vehicles for raising funds to support your program, such as capital campaigns, special events, scholarships, and so forth. These techniques, however, are tailored for specific circumstances and for specific causes. The capital campaign, for example, is typically used to raise funds for three specific purposes: to build a new building, to support a specific project like research on childhood diseases, and increase a particular asset like a scholarship fund or endowment. Although these types of fundraising campaigns have their merits, an annual campaign can provide more day-to-day support for your organization.

How should you proceed? There are a number of resources available that can assist you in moving former 4-H members and current volunteers from prospective donors to actual donors. The next section describes several important resources that you can use to get started with your fundraising project.

Getting Started--Available Resources

Whether you are an experienced fundraiser or a novice, there are excellent resources available to assist you. While not all encompassing, they include:

Education/Training

A number of institutions offer courses that cover an array of topics related to philanthropy, which include certificate programs; academic degrees; and non-credit seminars, conferences, and workshops. Among the most well known is the Center on Philanthropy at Indiana University <http://www.philanthropy.iupui.edu>. Within the center is the Fund Raising School, which offers a Certificate in Fund Raising Management that includes courses on Principles and Techniques of Fundraising, Planned Giving: Getting the Proper Start, Developing Major Gifts, and Interpersonal Communication for Fundraising. The school also offers individual courses on topics ranging from managing capital campaigns to working with volunteer boards. Those who are interested in advanced academic degrees can pursue master's degrees and a doctor of philosophy in philanthropic studies. Another source for seminars is the Institute for Charitable Giving <http://www.instituteforgiving.org>.

Software

There are several excellent software programs available to manage a fundraising office. In varying degrees of sophistication and costs, the software allows you to build and maintain donor and prospect databases, create customized solicitation mailings, generate reports, manage special events, and assist with Internet campaigns. The programs include such well-known tools as Donor Perfect <http://www.donorperfect.com>, Razors Edge <http://www.razors-edge.biz>, and Giftworks <http://wwwmission.research.com>. All of the companies offer free demonstration CDs. It is highly recommended that you view each one and discuss your needs with a representative

from the company prior to making a decision.

Professional Associations

There are two major professional associations for fundraising professionals: The Association for Fundraising Professionals (AFP) <http://www.afpnet.org> has been in existence for more than 40 years and boasts a membership of approximately 27,000. AFP represents a broad spectrum of charitable organizations in the US, Canada, and overseas. The other is the Council for the Advancement and Support of Education (CASE) <http://www.case.org>, which represents more than 3,200 institutions of higher education. Both associations serve as advocates for the fundraising profession in general, but particularly for their members. They also offer educational programs and encourage research. One of the most respected certifications is the Certified Fund Raising Executive offered by AFP.

Consultants

The Chronicle of Philanthropy's Directory of Services <http://www.philanthropy.com> is a good starting point to research consultants. Whether your organization is preparing to embark on a capital campaign, begin a major gifts program, or conduct a community survey, the use of a consultant requires careful consideration. The old cliché, "It depends . . ." is certainly appropriate. It depends on having sufficient resources to pay for such services, the type of campaign and target amount, board leadership, allocation of staff to meet and work with a consultant, and so on.

While not an endorsement by the authors, among the array of consulting firms you may find these useful to peruse: Ahern Communications <http://www.aherncomm.com>; Gonser, Gerber, Tinker, Stuhr <http://www.ggts.com>; Stephen E. Cramer & Associates <http://www.cramer-assocs.com>; and Graham Pelton Consulting, Inc. <http://www.grahampelton.com>. The Association of Fundraising Professionals does have a chapter in many states, and that may be a good starting point to identify consultants located in your state or region.

Summary

The human drama that 4-H professionals encounter on a daily basis provides multiple stories that appeal to prospective donors, and it is these private-sector funds that will help sustain our youth and young adult programs. As is the case with all non-profit organizations, it is essential to find your niche, to determine what makes your need for external funds more special than someone else's, to identify donors who will empathize with your case, and, above else, to ask. The most frequent reason donors do not contribute is simply that they are not asked to give.

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